

## Message Text

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ORIGIN OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-08 /025 R

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-----041523 241845Z /53  
R 241801Z APR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY MANAGUA

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FROM OPIC

E.O. 11652: N/A

TAGS: EINV

SUBJECT:OPIC INSURANCE OF ROSARIO GOLD MINE PROJECT  
(APPLICATION NO 524-74-451)

1. OPIC IS PREPARING TO PROCESS ROSARIO'S REQUEST FOR  
COVERAGE OF DOLS. 8.5 MILLION INVESTMENT TO EXPAND THE  
SIUNA AND ROSITA GOLD AND SILVER MINE COMPLEXES. EMBASSY  
IS REQUESTED TO SUBMIT ITS VIEWS BY MAY 7 ON THE PROJECT  
AND POSSIBLE IMPACT OF OPIC SUPPORT FOR IT ON USG HUMAN  
RIGHTS POLICIES TOWARD NICARAGUA. OF PARTICULAR IMPORTANCE  
IS EMBASSY'S ASSESSMENT OF EXTENT TO WHICH PROJECT FURTHERS  
DEVELOPMENT IN NORTHEAST NICARAGUA AND ITS EFFECT ON NEEDY  
PEOPLE OF THE AREA.

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2. AN OUTLINE OF THE PROJECT (OPIC FORM 50) WAS FORWARDED  
TO EMBASSY UNDER COVER OF OPIC MEMO DATED JUNE 24, 1975.  
ROSARIO ACQUIRED THE PROPERTIES FROM LA LUZ IN NOVEMBER  
1973 AND SEEKS OPIC COVERAGE ON DOLS. 8.5 MILLION IT IS  
USING TO DEVELOP AND EXPAND FACILITIES. SOME DOLS. 4  
MILLION HAS BEEN SPENT SINCE JUNE 1975 (WHEN ROSARIO

REGISTERED FOR OPIC INSURANCE) IN THE ROSITA AREA; BALANCE OF DOLS. 4.5 MILLION WILL BE SPENT TO DRAIN AND REHABILITATE FLOODED SIUNA MINE. ROSITA PRESENTLY PROCESSING 400 TONS/DAY; SIUNA SCHEDULED TO REOPEN IN JANUARY 1980 WITH 180 TONS/DAY CAPACITY. ROSARIO IS CONSIDERING REQUESTING . DOLS. 2.5 MILLION LOAN FROM OPIC WHICH, IF GRANTED, WOULD REDUCE INSURED INVESTMENT TO DOLS. 6.0 MILLION. COMPANY ADVISES THAT EMBASSY OFFICER WOULD BE WELCOME TO VISIT SITES. ARRANGEMENTS MAY BE MADE THROUGH RAY KENNETT (TEL. 24966) IN MANAGUA.

3. ROSARIO'S DRAFT FORMAL APPLICATION TO OPIC LISTS IMPRESSIVE ARRAY OF CIVIC ACTION CONTRIBUTIONS ABOUT WHICH OPIC INVITES EMBASSY COMMENT. AMONG THESE ARE: (A) ELECTRICAL POWER AND POTABLE WATER TREATMENT FACILITIES FOR TOWNS OF ROSITA, SIUNA, AND LA LUZ; (B) CONSTRUCTION AND SUPPORT OF ELEMENTARY SCHOOLS, HOSPITALS AND OTHER COMMUNITY STRUCTURES; (C) UPKEEP OF 180 MILES OF ROADS CONNECTING BONANZA, SIUNA, ROSITA AND LAMBAIKA; (D) FREE PUBLIC USE OF COMPANY BARGES OPERATING FROM LAMBAIKA TO PUERTO ISABEL; (E) UPKEEP OF PIER AND FACILITIES AT PUERTO ISABEL; AND (F) OPERATION OF LOCAL FOOD STORAGE AND RETAIL OPERATIONS ON NON-PROFIT BASIS FOR BENEFIT TO LOCAL INHABITANTS. OPIC ALSO REQUESTS ANY EMBASSY INFORMATION ON EFFECT OF ROSARIO-MAINTAINED TRANSPORT INFRASTRUCTURE ON SETTLEMENT OF SMALL FARMERS ALONG ROADS, DEVELOPMENT OF FORESTRY AND LIMITED OFFICIAL USE

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CASH AGRICULTURE OPERATIONS IN AREA, AND GENERAL IMPROVEMENT IN STANDARD OF LIVING OF NON-EMPLOYEES IN AREA.

4. PROJECT'S PRINCIPAL CONTRIBUTION MAY BE EMPLOYMENT AND TRAINING TO BE PROVIDED LOCAL LABOR AND PROFESSIONAL/ TECHNICAL PERSONNEL (1,000 DURING CONSTRUCTION, 680 AFTER FACILITIES ARE FULLY EXPANDED AND ON-STREAM) IN REMOTE AREAS.

5. ROSARIO ADVISES IT OWNS 100 PERCENT OF PROJECT AND THERE IS NO, REPEAT NO, GON OR LOCAL PRIVATE PARTICIPATION OR INTEREST IN PROJECT. CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSURANCE, GOLD MINING, INVESTMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Film Number:** D780174-1176  
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**Message ID:** 33c2c9a8-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2868534  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OPIC INSURANCE OF ROSARIO GOLD MINE PROJECT (APPLICATION NO 524-74-451)  
**TAGS:** EINV, EMIN, NU, OPIC, ROSARIO GOLD MINE  
**To:** MANAGUA  
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